

Exhibit 71

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Insulin prices crisis on diabetics
Those whose lives depend on drug struggle to pay for it

Shari Rudavsky, The Indianapolis Star

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For the first two decades Jessica Price had diabetes, she never worried about the price of her insulin and supplies, because her mother's insurance covered the cost. Then she switched to her employer's high-deductible insurance plan.

Suddenly, she faced bills of a few thousand dollars each time she went to the pharmacy to purchase her supplies for the next three months.

"It's never a question of if I'm going to hit my deductible but a question of how quickly can I hit it," said Price, who works for a non-profit group and has found herself having to borrow from her parents to help with the bills. "If I don't hit my deductible until June or July, I start to worry."

The increase in high-deductible insurance plans, coupled with a steadily increasing price of the medicine, have left many patients scrambling for the insulin they need to survive.

"It's an escalating crisis," said George Huntley of the National Diabetes Volunteer Leadership Council. He was diagnosed with Type I diabetes in 1983.

Research suggests 57% of people who use insulin in the USA face paying list price for their supply at some point during the year, Huntley said.

Of the 6 million people in the USA who depend on insulin, about 1.25 million have Type I diabetes, a condition in which their pancreases don't produce the hormone insulin, according to the American Diabetes Association. The remainder have Type II diabetes and take insulin to help out their bodies, which do not produce sufficient insulin.

One of the newer types of insulin saw 24 price increases from 2001 to 2014, from \$44 to about \$300, said William Herman, professor of internal medicine at the University of Michigan, who has written about the changing cost of the drug.

Officials from Eli Lilly, which manufactures insulin, acknowledged that the cost of insulin is a real problem that touches people every day. "It's a complex problem to solve," said Mike Mason, vice president of Lilly Diabetes. "When you take a look at our prices, our list prices have gone up, but our net realized prices have gone down."

One factor behind the rising costs has been the arrival of a next generation of insulin, so-called analog or synthetic insulin that one day could replace its less expensive predecessors, human or animal insulin. Though previous-generation insulins remain on the market, the newer drugs do a better job of keeping blood sugar constant.

People with diabetes have taken several steps to ensure they have enough insulin. Some rely on samples from their doctor's offices. Others use expired drugs. Facebook groups have arisen to connect those who have extra insulin with those in need. People living near the Canada border may go abroad to buy supplies.

Many, including Price, try to limit their use of the lifesaving drug as much as they can.

"You start insulin rationing, which can be dangerous, but it comes down to: I've got to make this insulin bottle last," Price said.

Those on high-deductible plans often have very different experiences in large part because of a complicated dance between pharmaceutical companies, insurers and third-party pharmacy benefit managers, who administer prescription drug plans.

Consider a drug with a list price of \$100, Mason said. The company might offer a 70% rebate, which would lower the price to \$30. If a patient had a traditional insurance plan, the co-pay might be \$25, and the insurance company would kick in the remaining \$5. The drug company would receive \$30.

High-deductible plans, in which employers aim to defray some of the money they spend on insurance, upend that equation. The patient no longer has access to the rebate and has to pay the full \$100. The drug company still gets \$30, and the insurer instead of paying \$5 gets \$70.

"Why has the list price risen? One of the biggest drivers is that they started playing this rebate game. (Pharmacy benefit managers) are not negotiating for lowest price, they're negotiating for the rebate," Huntley said. "Nobody cared until the patient starts paying list price at the cash register."

---- Index References ----

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